



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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March 7, 2001

TO: FILE

THRU: Lowell P. Braxton, Director *3/8/01 agree as noted below*

THRU: Carl Roberts, Budget Officer *CR*

FROM: Mary Ann Wright, Associate Director, Mining *M. A. Wright*

RE: Expenditure of Funds for Reclamation and Attorney Fees, Drum Mine, M/027/007  
Millard County, Utah

Reclamation work is almost complete on the Drum Mine in the West Desert. As part of the Settlement and Reclamation Agreement (between and among Western States Minerals Corporation (WSMC), BLM, DOGM, and DEQ-DWQ) to reclaim this site, the Division agreed to pay the costs for lab analyses of rock samples put through a meteoric water mobility test to determine the presence and mobility of heavy metals in the mine dumps and heap leaches at the site. Western States collected the samples and BLM contributed to some of the lab analyses (\$24,000). In addition, some funds were expended on a local law firm in Texas to aid the OGM attorney with bankruptcy filings for the JUMBO bond. The amount of these expenditures totaled almost \$15,000.

In negotiations to develop the Settlement Agreement with WSMC for the reclamation, it was also agreed that all of JUMBO's reclamation bond funds were to be allotted to WSMC to conduct reclamation. In paying final bills on this site, the deficit of \$15,000 appeared as noted above. The division hereby allocates \$15,000 from the Minerals Program Non Lapsing Funds to balance the books on reclamation of this site.

cc: Wayne Hedberg, Minerals Program

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